



TELECOMMUNICATIONS
ASSOCIATION OF MICHIGAN

September 12, 2006

The Honorable Mike Nofs
Chairman, Energy & Technology Committee
P.O. Box 30014
Lansing, MI 48909

Dear Chairman Nofs:

On behalf of the competitive and incumbent video service providers represented by the Telecommunications Association of Michigan, and on behalf of the dozens of our member companies that have the potential to be competitive video providers, we strongly support your efforts to update Michigan's burdensome, expensive and unwieldy video franchise system. We continue to appreciate the input you've given us and all groups throughout the process.

Your draft bill incorporates many of the suggestions made by local governments and the industry during the Energy & Technology Committee's numerous hearings earlier this year. Of particular note are significant concessions given to local government organizations like the Michigan Municipal League, which continues to take an obstructionist role instead of providing constructive alternatives to the proposals before your committee. These concessions include:

- Giving jurisdiction to the Michigan Public Service Commission (MPSC) instead of the Secretary of State.
- Expanding the definition of "gross revenues" to boost revenues for local governments.
- Including build out requirements that the industry would like to see removed but that, again, responded to local government criticism.

In short, from the industry's perspective, your bill makes significant concessions to local governments and virtually guarantees them at least level franchise revenues (not to mention increased tax revenues from investments competitors will make in local communities). But the Municipal League deserves credit—they have consistently opposed any reform to Michigan's 30 year old franchise system. Their rhetoric continues to be shrill and over-the-top, both before and after they actually see legislation.

Unlike the local government obstructionists, we appreciate the opportunity to work out a compromise with the committee. To that end, we will propose changes to your legislation that clarify the MPSC's regulatory role and shorten the timelines for application review. Our proposals are rooted in the fact that customer choice is the best form of regulation.

These recommendations are intended to be reasonable requests that will help to make Michigan's updated franchise laws attractive to customers and to new competitors by establishing a consistent set of policies for all providers. We don't subscribe to the obstructionist tactics being employed by the Municipal League and look forward to working with you to move our Disco Era franchise system into the iPod Age.

Sincerely,

A handwritten signature in cursive script, appearing to read "Scott Stevenson", followed by a long horizontal flourish.

Scott Stevenson
President